

ATTENTION: Read this document if your employees are, or may be, covered by a TAA certification.

When a worker group becomes TAA certified, employees must make many important, time-sensitive decisions. Don't let them overlook the Health Coverage Tax Credit (HCTC), an important health benefit.

What is the HCTC?

The HCTC is a federal tax credit that pays 65% of qualified health insurance premiums for eligible individuals. Your employees, as well as their spouses and dependents, may be eligible to take advantage of the HCTC.

Who is eligible for the HCTC?

Three groups of individuals are potentially eligible for the HCTC. They include individuals who:

1. Get income support and attend training through the Trade Adjustment Assistance (TAA) program,
2. Get a wage subsidy through the Alternative Trade Adjustment Assistance (ATAA) program, or
3. Receive a benefit from the Pension Benefit Guaranty Corporation (PBGC) and are age 55 or older.

How can you help your employees?

TAA certification for a company may take up to 40 days. Employees cannot receive the HCTC until they become TAA or ATAA recipients and their state sends eligibility records for them to the HCTC Program. *During this time employees should research and enroll in an HCTC qualified health plan.*

Employees are more likely to benefit from the HCTC Program and maintain their health coverage if employers:

- Provide information to employees on qualified health plan options (see below).
- Work with the State Workforce Agency (SWA) to add HCTC Program information to layoff communications. This will ensure that your employees have timely and consistent information on the HCTC.
- Encourage COBRA Health Plan Administrators (HPAs) to enroll to receive monthly HCTC payments so employees can receive the monthly HCTC to help pay for health coverage as premiums become due. COBRA HPAs can view the requirements and steps to enroll with the HCTC Program in the HPA Operations Guide, available online at www.irs.gov (Keyword/Search: HCTC).

What health plans are qualified for the HCTC?

Individuals must be enrolled in a qualified health plan to receive the tax credit. The HCTC will only pay for 65% of four types of health plans:

- COBRA
- State-qualified health plan - for a complete list visit www.irs.gov (Keyword/Search: HCTC)
- Spousal coverage
- Non-group/individual health plan

**To learn more about the HCTC, visit
www.irs.gov (Keyword/Search: HCTC).**



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